



PSC NEWS

Missouri Public Service Commission

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NATURAL GAS RATES TO CHANGE FOR LACLEDE GAS COMPANY CUSTOMERS

JEFFERSON CITY--To reflect a projected increase in the cost of natural gas for the remaining winter heating season, natural gas rates will increase for Laclede Gas Company customers under a scheduled filing taking effect on March 14, 2005. This rate change is interim subject to refund.

A residential customer currently pays approximately \$0.71 per therm (per 100 cubic feet of gas) for natural gas. Under this filing, the rate will increase to approximately \$0.77 per therm, an increase of approximately \$0.06 per therm. This increase in rates will result in the average residential customer paying approximately 6% more for natural gas in March and April versus what they would pay if current rates did not change.

Under tariffs on file with the Commission, Laclede Gas Company is scheduled to make four filings each year (January, March, June and November) to reflect the wholesale supplier cost of natural gas. The next scheduled filing is June 2005.

Approximately 65% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas** (the cost your local natural gas company must pay to its suppliers for natural gas) **is not regulated by the Missouri Public Service Commission.** The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated natural gas companies make prudent decisions in securing natural gas supplies for their customers.

Laclede Gas Company serves approximately 630,000 natural gas customers in the City of St. Louis as well as the Missouri counties of St. Louis, St. Charles, Butler, Iron, Franklin, Jefferson, Madison, St. Francois and Ste. Genevieve.